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Office of Secretary

February 9, 2006

≻ederal Communications Commissioa

57739-000013

Marlene H. Dortch, Secretary

Federal Communications Commission

445 12th Street, SW

Washington, DC 20554

Re: WT Docket No. 05-265; Reexamination of Roaming Obligations of Commercial

Radio Service Providers

Dear Ms. Dortch:

On February 8, 2006, Mark Stachiw, Senior Vice President, General Counsel and Secretary of MetroPCS Communications, Inc. ("MetroPCS"), accompanied by Carl Northrop of Paul, Hastings, Janofsky & Walker LLP, met with Elias Johnson, Nese Guendelsberger, Eugenie Barton, Walter D. Strack, Heidi Kroll and Won Kim of the Commission staff to discuss the above-referenced proceeding.

MetroPCS made an oral presentation as summarized in the attached handout, copies of which were distributed at the meeting.

In addition, MetroPCS advocated that the Commission take action in this proceeding consistent with the MetroPCS Comments and Reply Comments that were filed in the docket on November 28, 2005 and January 26, 2006 respectively.

Carl W. Northrop

Respectfully submitted

of Paul, Hastings, Janofsky & Walker LLP

cc:

Elias Johnson

Nese Guendelsberger

Eugenie Barton

Walter D. Strack

Heidi Kroll

Won Kim

Attachment

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CMRS Roaming Obligations

MetroPCS Communications, Inc. 8144 Walnut Hill Lane Suite 800 Dallas, TX 75231 The comments filed in this proceeding demonstrate widespread agreement on certain core principles:

- Roaming—be it manual or automatic—is a common carrier service and is, therefore, subject to the Communications Act, including Sections 201, 202 and 208.
- The early technical obstacles to automatic roaming have largely been overcome and automatic roaming is widespread.
- Automatic roaming is of vital importance to the customers of wireless carriers in today's CMRS marketplace.

The characterizations of the roaming market by the large nationwide carriers (on the one hand) and the smaller local or regional carriers (on the other hand) are irreconcilable and suggest that the two groups of carriers are operating in separate parallel universes:

- The four large national carriers claim the relevant market for automatic roaming is the retail CMRS marketplace, competition is vibrant, and there are market-based incentives for large carriers to provide automatic roaming services to small, rural, and regional carriers at just, reasonable, and non-discriminatory terms and conditions.
- All of the other commenting parties conclude that the relevant market for automatic roaming service is the wholesale roaming market, competition is lacking because the national carriers have market power - often in the form of a monopoly or duopoly - and the large carriers engage in unjust and unreasonable discrimination which they use to extract supra-competitive rates or other unreasonable terms from their smaller roaming partners or refuse to deal with them altogether.

Reasoned decision making in the face of these contrasting viewpoints requires that the Commission determine the following:

- What is the relevant market for automatic roaming?
- What arrangements have the carriers entered into?
- Are unjust or unreasonable rates being charged and is unreasonable discrimination occurring?

Despite the fact that the Commission requested specific information on roaming arrangements, it has before it very little concrete evidence regarding the nature and extent of the roaming arrangements in today's marketplace:

- Carriers are not volunteering the specific contract information the Commission needs.
- In some instances, carriers are reluctant to reveal their roaming arrangements because discrimination is rampant or because they are afraid of retaliation.
- In other instances, carriers are contractually precluded from publicly disclosing roaming arrangements by confidentiality clauses in existing roaming agreements.
 - O If roaming is a common carrier service which must be offered on a nondiscriminatory basis, how can rates be considered confidential?

It is impossible for the Commission to properly assess the roaming market without concrete data on the nature and extent of existing roaming arrangements.

Anecdotal evidence indicates there are market failures.

The Commission needs to compel all carriers - - large and small - - to provide complete information regarding their existing roaming arrangements and roaming policies:

- The Commission has the authority under Section 403 of the Communications Act to conduct an inquiry of this nature.
- The Commission also has the ability to hire an outside expert to analyze the submitted agreements to ascertain the operative facts.
- Although MetroPCS does not think it should be necessary, protective order arrangements could be put in place so that representatives of parties who gain access to the filed agreements would not be authorized to publicize the terms of particular agreements until the Commission has decided whether these common carrier arrangements should be confidential.
- Economists could analyze the roaming market based on concrete data rather than upon supposition and speculation.

Reviewing existing roaming arrangements would enable the Commission to answer the following important questions:

- Are the rates offered to affiliates more favorable than the rates offered to unaffiliated third-party carriers?
- Are the rates offered to larger carriers more favorable than the rates offered to smaller carriers?
- Are the rates offered to rural carriers different from those offered to other regional carriers?
- Are the rates different when the regional or rural carrier provides service in the same area as the national carrier?
- Are the rates offered to non-facility based competitors (e.g., resellers and MVNOs) more favorable than the rates offered to facility-based competitors?

Conclusion

- The Commission needs certain <u>core facts</u> to engage in reasoned decision-making.
- The Commission has the authority to compel the industry to produce the relevant core facts.
- The Commission should act quickly because these issues have become more important as the CMRS industry consolidates.